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ELECTRICITY REGULATORY AUTHORITY
MINISTRY OF ENERGY AND NATURAL RESOURCES



ANNUAL REPORT
2025-2026








ANNUAL REPORT
2025-2026

MESSAGE from the CHAIRPERSON



It is with great pleasure that I present the Annual Report of the Electricity Regulatory Authority (ERA) for fiscal year 2025–2026, a year in which the Authority completed the most significant tariff cycle in its recent history and aligned its core regulatory instruments with the National Energy Policy 2025 and the Bhutan 21st Century Economic Roadmap.

The year under review marked significant progress for the Authority, with key regulatory decisions, a strengthened policy framework, and steady advances toward a more efficient, digitally enabled institution. I present these highlights with a deep sense of appreciation and accomplishment on behalf of the Authority.

Tariff determination remained at the heart of our work. The Commission determined generation tariffs for the entire Druk Green Power Corporation portfolio, including Tangsibji Hydro Energy and the 1,020 MW Punatsangchhu-II Hydroelectric Project; approved the transmission and distribution cost of supply for Bhutan Power Corporation; and set the System Operator charges for the Bhutan Power System Operator for the 2025–2028 tariff period. Alongside these, the Authority approved tariffs for the Sephu Solar Project, the DSP-SI solar projects, and the 200-kW solar project at Tamzhing, the first privately developed solar project in the country. In every decision, the Authority sought to balance the financial sustainability of licensees with fair and affordable electricity for consumers, while fostering an enabling environment for continued investment in hydropower and renewable energy.

Beyond tariffs, the Authority strengthened its regulatory framework, issued licences and survey permits to new generation and transmission undertakings, and reinforced monitoring, compliance and enforcement across the sector, including timely investigation of safety incidents and verification of licensee performance against approved standards. Forward-looking studies on wind energy and battery storage readiness, together with a nationwide Consumer Perception Survey, will help shape the regulatory environment of Bhutan's electricity sector needs in the years ahead.

None of this progress would have been possible without the continued guidance of the Hon'ble Minister and the Ministry of Energy and Natural Resources, the wise counsel of my fellow Commissioners, the cooperation extended by our licensees and stakeholders, and the dedicated efforts of the Secretariat throughout the year. As we look to the year ahead, the Authority remains firmly committed to regulatory excellence, institutional modernisation, and the sustainable development of Bhutan's electricity sector for the benefit of all Bhutanese.



Phuntsho Namgyal

MESSAGE from the CEO



It is my privilege to present the achievements of the ERA Secretariat during the fiscal year 2025–2026. The year has been marked by meaningful progress in strengthening regulatory frameworks and oversight, enhancing institutional capacity, tariff reviews and supporting the safe, reliable, and sustainable development of the electricity sector. A key achievement this year included the revision of the Safety Code Regulation 2026, Monitoring Guidelines and Tariff Determination Regulation 2025. The comprehensive review of the licensing framework further positioned ERA to support the development of Bhutan's expanding hydropower and renewable energy sector. Through field investigations and inspections, the Secretariat responded to incidents while also taking proactive measures to identify and address risks aimed at improving overall safety and power system resilience. The Secretariat also completed the tariff review and approvals for several solar and hydropower projects, including the approval of the DGPC and BPC cost of supply for the period 2025-2028.

We also continued to hold licensees accountable for the quality and reliability of electricity service and our assessments confirmed that BPC met or exceeded the established targets for transmission availability, contact center standards and distribution reliability. These results are encouraging and reflect the value of clear regulatory expectations, systematic monitoring and continued cooperation among sector stakeholders. Equally important was our effort to understand the electricity sector from the perspective of consumers. The Consumer Perception Survey covering eleven Dzongkhags provided valuable insight into how households experience the services we regulate. Power quality assessments at the government institutions across the country also reinforced our commitment to ensuring reliable electricity supply to critical facilities and essential services.

As Bhutan prepares for the next phase of its energy sector development, the Secretariat has also begun strengthening its readiness for emerging technologies and resources. The studies on wind energy and battery energy storage are helping us anticipate the regulatory requirements of a changing energy landscape. These efforts will be increasingly important as Bhutan seeks to diversify its energy mix while maintaining affordability, reliability and sustainability. We have also looked inward, recognizing that a strong regulator must continuously strengthen itself. The Organizational Development exercise and the mid-term review of our Strategic Plan have provided an opportunity to examine how we work, identify areas for improvement and build systems that will enable the Secretariat to serve licensees, consumers and the wider sector more effectively. I extend my sincere appreciation to the Ministry of Energy and Natural Resources, the Hon'ble Chairman and Members of the Authority for their guidance and support, to our licensees and stakeholders for their cooperation, and, most importantly, to every member of the Secretariat for your dedication and hard work. The achievements of this year are a reflection of your collective effort. Let us carry this spirit forward and continue to strengthen the foundations of a resilient and future-ready electricity sector for Bhutan.



Deki Choden

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1

ABOUT US

Mandates · Leadership · Vision · Functions

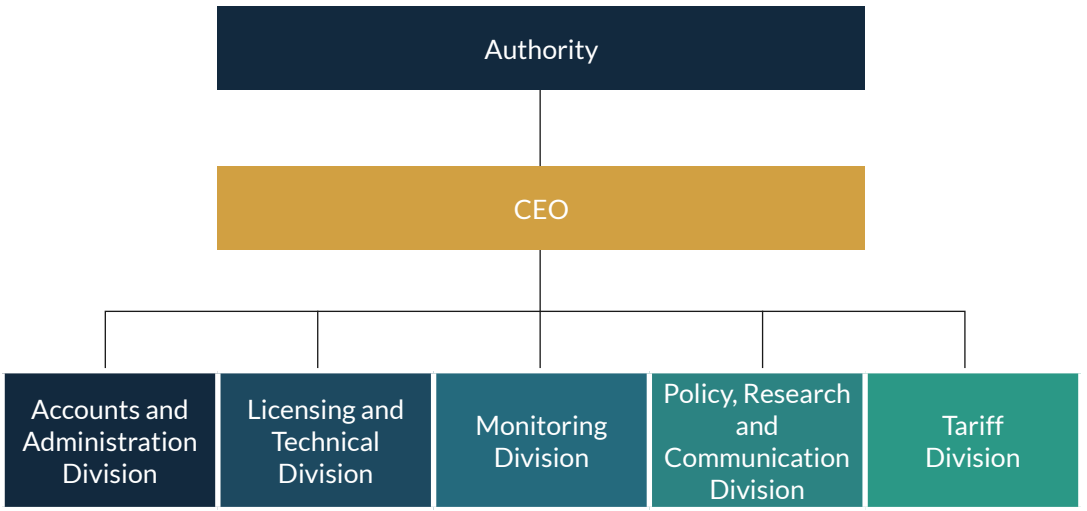
1.1 ELECTRICITY REGULATORY AUTHORITY

The Electricity Regulatory Authority is established in accordance with Section 7 of the Electricity Act of Bhutan 2001(Act) to oversee and regulate the country's electricity sector. The ERA comprises an Authority and a Secretariat. Under Section 8 of the Act, the Authority consists of a Chairperson, a Member Secretary, and a minimum of three additional members, all appointed by the Minister for a maximum term of five years in accordance with the conditions stipulated by the Minister. Currently, the Hon'ble Minister has appointed a total of five Authority members in compliance with these statutory provisions.

The ERA's operation is headed by a Chief Executive Officer who leads the Secretariat and, with the Authority's approval, appoints staff necessary to execute the organization's regulatory functions. The Secretariat is structured into two operational departments: the Corporate Service Department and the Regulatory Service Department. These departments are further supported by six specialized divisions: the Tariff Division, Licensing and Technical Division, Compliance and Enforcement Division, Legal and Consumer Affairs Division, Innovation and Strategy Division, and Administration and Accounts Division.

The ERA currently has a total staff of 39 personnel. The organization is staffed primarily by technical personnel and supported by administrative and support staff who facilitate the Authority's day-to-day operations and ensure effective implementation of regulatory functions.

ORGANOGRAM



1.2 AUTHORITY MEMBERS



Mr. Phuntsho Namgyal
CHAIRPERSON



Mr. Ngawang Norbu
MEMBER



Ms. Nima Om
MEMBER



Ms. Dechen Peldon
MEMBER



Ms. Deki Choden
MEMBER SECRETARY

1.3 MANAGEMENT TEAM



Ms. Deki Choden
Chief Executive Officer



Mr. Sherub Gyeltshen
Chief, Administration & Accounts Division



Mr. Dorji
Chief, Monitoring Division



Ms. Thukten Wangmo
Chief, Licensing & Technical Division



Mr. Sangay Phuntsho
Policy Research and Communication Division



Mr. Rinchen Dorji
Chief, Tariff Division

1.4 OUR DIRECTION

VISION

World Class Electricity Regulator and Facilitator

To be a globally recognized regulator and facilitator, driving excellence in electricity regulation and enabling a sustainable energy future for Bhutan.



MISSION

To provide electricity sector stakeholders with fair, non-discriminatory, and efficient services to ensure a safe, reliable, and efficient supply of electricity.



1.5 CORE VALUES

ACCOUNTABILITY

We take ownership of our actions and deliver on our commitments.

EXCELLENCE

We strive for the highest standards in everything we do.

INTEGRITY

We uphold honesty, ethics, and fairness in all our decisions and actions.

INNOVATION

We embrace new ideas and smarter solutions for a better future.

TRANSPARENCY

We are open, clear, and accessible in all our dealings.

1.6 FUNCTIONS OF THE AUTHORITY

Mandate under the Electricity Act of Bhutan 2001

FUNCTION 01

Development of Regulatory Framework

Formulation of rules, regulations, standards, codes, principles and procedures to ensure safe, reliable, secure and efficient electricity services.

FUNCTION 02

Issue, Modify and Revoke Licences

Process and issue licences for construction, generation, distribution, transmission, system operation, export and import of electricity.

FUNCTION 03

Monitor the Compliance of Licensees

Carry out compliance monitoring of the performance of licensees.

FUNCTION 04

Determine and Approve Tariffs

Review, assess and determine generation and retail tariffs submitted by generation, distribution, transmission and system operator licensees.

FUNCTION 05

Prescribe and Collect Fees, Charges or Royalties

Prescribe and collect fees such as licence application fees, annual licence fees, licence renewal and modification fees, tariff determination fees and miscellaneous charges.

FUNCTION 06

Impose Fines, Sanctions or Penalties

Impose fines, sanctions and penalties for breaching provisions of the Act, rules, regulations and licence terms and conditions.

FUNCTION 07

Establish Dispute Settlement Procedures

Settle disputes between licensees, and between licensees and consumers, in relation to electricity services.

The Authority discharges these functions through its Secretariat, guided by the principles of fairness, transparency and non-discrimination in the service of licensees and consumers.

2

KEY ACHIEVEMENTS
Fiscal Year 2025–2026

2.1 REGULATORY FRAMEWORK DEVELOPMENT

During the fiscal year 2025–2026, the Authority consolidated and modernised several core instruments of the regulatory framework, bringing them into alignment with the National Energy Policy 2025 and the Bhutan 21st Century Economic Roadmap.

2.1.1 Safety Code Regulation 2026

In accordance with Section 11.1(i) of the Act, the Authority developed the Safety Code Regulation 2026 to further strengthen the safety framework governing Bhutan's electricity sector. Safety is a key priority in the electricity sector due to the potential hazards associated with the generation, transmission, distribution, and use of electricity. Ensuring effective safety measures is essential for protecting human lives, property, and critical electrical infrastructure.

The Safety Code Regulation 2026 replaces and consolidates the provisions of the Safety Regulation 2008 and the Safety Code (Amendment) 2021. The regulation has been updated to reflect the changing needs of the electricity sector, including technological advancements, evolving infrastructure, and increasing complexity in electrical systems and operations.

The development of this regulation involved a detailed review of existing safety requirements, consideration of national objectives, consultations with relevant stakeholders, and an assessment of emerging safety challenges. The review identified the need for a more comprehensive and adaptive regulatory framework that provides clearer guidance, improves safety management practices, strengthens accountability, and addresses new risks arising from changes in electricity generation, distribution, and consumption.

This regulation introduces updated safety provisions for emerging technologies and modern electrical infrastructure, including solar power systems, wind energy systems, Battery Energy Storage Systems (BESS), Gas Insulated Substations (GIS), and Electric Vehicle charging facilities. It also defines clearer roles and responsibilities for customers and other stakeholders in the operation and maintenance of electrical installations, ensuring compliance with safety requirements and encouraging safe practices in the use of electrical equipment and systems.

This regulation represents a significant step towards enhancing safety standards, improving regulatory compliance, and supporting the reliable and sustainable growth of Bhutan's electricity sector. Through a consistent and comprehensive approach to safety management, the regulation will help minimize electrical hazards and contribute to the protection of people, property, and national infrastructure.

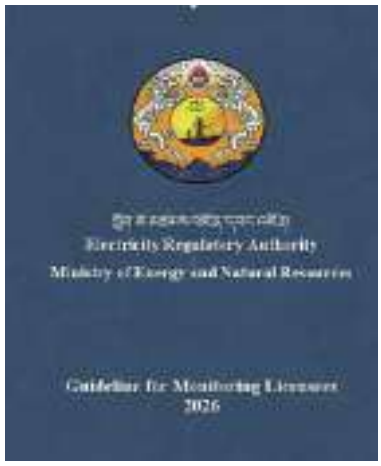


Stakeholder consultation meeting on the Safety Code Regulation 2026

2.1.2 Guideline for Monitoring Licensees 2026

The revised Guidelines for Monitoring Licensees 2026 is intended to strengthen the regulatory monitoring framework by introducing clear procedures for conducting monitoring activities, defining the scope and categories of compliance assessments, and promoting consistent, evidence-based regulatory actions.

The guideline establishes standardized procedures for monitoring safety compliance, investigating serious electrical safety incidents, assessing technical performance, evaluating regulatory compliance, monitoring consumer service standards, and undertaking other key compliance activities. By providing a structured approach to monitoring, the guideline aims to improve transparency, consistency, and effectiveness in regulatory oversight.



Guideline for Monitoring Licensees 2026

2.1.3 Tariff Determination Regulation (TDR) 2025

The Tariff Division conducted a review of the Tariff Determination Regulation 2022 through research on international practices, along with a review of issues and challenges faced. The final draft TDR 2025 was also discussed with the power sector stakeholders (DoE, DGPC and BPC) on 17th September 2025 and with all the stakeholders, including members from the Association of Bhutanese Industries on 26th September 2025. The final TDR 2025 was approved during the 133rd Commission Meeting held on 6th October 2025 following an extensive technical review and stakeholder consultation process.

The revised regulation introduced key provisions to strengthen the tariff determination framework, including updated methodologies for Return on Equity (RoE), Power Purchase Agreements (PPAs), true-up of power purchase costs, energy allocation, operation and maintenance benchmarks, regulatory asset base, tariff structure, open access, wheeling charges, and comprehensive tariff parameters for solar power projects.

These reforms align the regulatory framework with the National Energy Policy 2025, enhance transparency and regulatory certainty, promote operational efficiency, and create an enabling environment for investment in Bhutan's hydropower and renewable energy sectors while ensuring fair and affordable electricity tariffs for consumers.

2.1.4 Stakeholder Engagement Strategy

Effective stakeholder engagement is essential to ensuring informed and credible regulatory decision-making. It is particularly important in key regulatory functions having an impact on consumers and the general public, such as the development of regulatory frameworks, tariff setting and the licensing process.

Recognizing the need for a structured approach to stakeholder engagement, the Stakeholder Engagement Strategy was formulated and approved by the Authority. It provides a structured basis for planning, conducting, and monitoring stakeholder engagement in a manner that promotes transparency, inclusiveness, responsiveness, and accountability. It is one of the efforts towards institutionalizing a systematic approach to stakeholder engagement across the Authority's functions and is expected to enhance stakeholder participation and support more informed regulatory decision-making.

2.1.5 Development of Guideline for Approval of Electrical Firms and Certified Electricians

The Authority issued the Internal House Wiring Rules and Regulations (IHWRR) 2025 during the Fiscal Year 2024-2025 to ensure the safe installation, maintenance, testing, and inspection of internal house wiring in all premises. A key requirement introduced under the IHWRR 2025 is that routine inspection and testing of internal house wiring installations shall be carried out only by electrical firms and certified electricians

approved by the Authority. While the IHWRR establishes the legal mandate for approving electrical firms and certified electricians, they do not prescribe the detailed procedures, eligibility criteria, assessment mechanisms, service charges, or monitoring arrangements required for effective implementation. To address this gap, the Authority developed the Guideline for the Approval of Electrical Firms and Certified Electricians to operationalize the approval provisions of the IHWRR in a structured and enforceable manner. The Guideline was developed through a phased and consultative process to ensure regulatory robustness and practical enforceability. An inter-agency task force comprising representatives from the Department of Energy (DoE), Bhutan Power Corporation Limited (BPC), and the Electricity Regulatory Authority was constituted to provide coordinated institutional input. The task force deliberated on eligibility requirements, monitoring mechanisms, tools and equipment standards, and assessment criteria, forming the technical foundation of the draft Guideline on 30th August 2025. The Guideline was developed through a series of internal consultations within the ERA Secretariat and an external stakeholder consultation involving representatives from relevant Agencies, which further refined the enforceability provisions and pilot implementation strategy. Collaboration with technical personnel from BPC provided empirical data on inspection and testing durations to inform capacity and approval planning. The finalized Guideline and report were subsequently presented and approved during the 136th Commission Meeting.

The Guideline establishes a clear approval framework applicable to both individual certified electricians and electrical firms seeking authorization to conduct internal house wiring inspection and testing.



Stakeholder Consultation Meeting for the Development of Guideline for Approval of Electrical Firms and Certified Electricians.

2.1.6 Review of the Guidelines for Processing of Licences 2009

As part of the fiscal year 2025-26 Operational Plan, the Authority completed a comprehensive review of the Guidelines for Processing of Licences 2009, which had remained unchanged since its adoption despite significant developments in Bhutan's electricity sector and regulatory framework. The review was undertaken to address procedural and operational challenges encountered during licence administration and to strengthen the licensing framework in line with Bhutan's 10X Economic Roadmap, which envisages the development of 25 GW of hydropower capacity by 2050 and the expansion of renewable energy technologies. The review identified key areas requiring improvement, including the scope and structure of the Guidelines, the Permit to Survey process, application requirements for construction and operation licences, the absence of standardised application checklists, continuity between licence stages, and alignment of application requirements with the statutory decision criteria under Section 25.1 of the Act. As part of the review process, the Authroity conducted a comparative assessment of licensing frameworks in Nepal, Sri Lanka, Uganda, and Norway. The Authority also held a stakeholder consultation on March 31, 2026, and received technical guidance from a Senior Advisor of the Norwegian Water Resources and Energy Directorate (NVE). These activities informed the development of the following recommendations:

a) revise the Guidelines with an initial focus on hydropower and phased expansion to other renewable energy technologies;
b) introduce standardised application forms, schedules, and submission checklists;
c) strengthen early-stage project procedures, including the Permit to Survey process;
d) clarify the sequencing of approvals, clearances, and permits from relevant authorities;
e) review the construction and operation licensing framework; and
f) enhance licence conditions to improve clarity, consistency, and enforceability.



Stakeholder Consultation Meeting for the Review of the Guidelines for Processing of Licences 2009

2.2 PERMIT TO SURVEY AND LICENCES ISSUED

The Licensing and Technical Division processes applications for permits to survey and for the construction and operation of electricity projects, as mandated by the Act. During fiscal year 2025–2026, the Authority issued 36 permits to survey for proposed renewable energy projects, granted eight construction and operation licences and four exemption licences, and approved two licence extensions and two licence transfers.

2.2.1 Permit to Survey

During the fiscal year, the Authority issued permits to survey for a number of proposed renewable energy projects in accordance with the Act. The permits authorise developers to undertake preliminary investigations, including technical, environmental, social and economic assessments, to determine the feasibility of potential project sites. The permits issued during the reporting period are listed below.

Sl. No.	Applicant	Capacity (MWp)	Location
1	Green Digital Limited	170-250	Ngadala, Trongsa
2	T&K Construction Pvt. Ltd.	12	Zamsa, Paro
3	Druk Green Power Corporation Limited	230	150 MWp in Kamthang, Trongsa and 80 MWp in Dungmana, Trashigang
4	Department of Energy	128	62 MWp and 31 MWp in Tandigang and 35 MWp in Talung, Haa
5	ZNN Renewables	70	30 MWp in Meritsemo, Chhukha and 40 MWp in Jamjee, Thimphu
6	Jungzhi Solar	100	Tenchekha, Paro
7	Pelden Construction Private Limited	35	Tharpaling, Bumthang
8	Ecoluxe Private Limited	0.8	Tamzhing, Bumthang
9	Green Digital Limited	100	Samrang, Samdrup Jongkhar
10	Department of Energy	442	52.2 MWp in Chibling, Trashigang; 62.5 MWp in Chuteygang, Bumthang; 38.7 MWp in Gamdopang, Trongsa; 35.3 MWp in Ngal-imang, Trashiyangtse; 83.5 MWp in Sengor, Mongar; 133.5 MWp in Kamthang, Trongsa; 36.3 MWp in Khemjapang, Wangdue
11	Ms. Kesang Wangmo and Mr. Lhab Tshering	80	30 MWp in Tenchekha, Paro and 50 MWp in Tsangtsekha, Paro
12	Ecoluxe Private Limited	1.5	Kharsa, Bumthang
13	BNC Power Project Ltd.	100	Thimphu

Sl. No.	Applicant	Capacity (MWp)	Location
14	Druk Green Power Corporation Limited	1,410	100 MWp in Bjagbchhog, Chhukha; 150 MWp in Dokachu Goenpa, Chhukha; 334 MWp in Toktokbagom, Chhukha; 129 MWp in Goga, Wangdue; 264 MWp in Chendebji, Wangdue; 143 MWp in Tshangkha, Trongsa; 51 MWp in Langthel, Trongsa; 108 MWp in Tharpaling, Bumthang; 131 MWp in Wob-thang-II, Bumthang
15	Ecoluxe Private Limited	2.1	Kharsa, Bumthang
16	Green Power Energy Power Private Limited	70	Tenchekha, Paro
17	Smart Roof Solar Solution Private Limited	100	Jamji (Tenchekha), Paro
18	Lumora Ventures	125.8	33.8 MWp in Lengbi, Wangdue Phodrang and 92 MWp in Goensar Rajawong, Wang-due
19	Patel Greentech Private Limited	140	40 MWp in Chamkhar-Tang Valley, Bumthang and 100 MWp in Bumthang
20	Lumora Ventures	150	Gangkha Shel-Yuel, Wangdue
21	Jogindra DD Green Energy Pvt. Ltd.	200	50–100 MWp in Ura, Bumthang and 50–100 MWp in Rikhey, Samdrup Jongkhar
22	Mr. Kinzang Tobgay	30	Wangbama, Thimphu
23	Doed Jung Kuen Phen Trading House	20	Thimphu and Paro
24	KWRT Engineering	50	Samtse and Zhemgang
25	MKC Green Energy Limited	25	Tharpaling, Bumthang
26	Shri Mahavir Ferro Alloy Pvt. Ltd.	–	Tangsibi, Bumthang
27	TYP Energy Pvt. Ltd.	50–60	Wangdue
28	Dzambala Pharmaceuticals and Medical Supplies	200	Dawakha, Paro
29	Mr. Phuntsho Gyeltshen	50–70	Dawakha, Paro
30	Lha-Yul Energy Services	35	Semji village, Trongsa
31	Thangtong Iron & Steel	10	Dungna and Pasakha, Chhukha
32	Ms. Pema Eden	6	Near Dobji Dzong, Paro
33	Serdang Renewable Energy	100	Pumola and Buddha Point, Thimphu
34	SPA Capital Services Ltd.	32	Chhukha
35	JV Shri Sai Solar Pvt. Ltd. & BIEBS Pvt. Ltd.	–	Phobjikha, Wangdue
36	Druk Green Power Corporation Limited	920	Wangdue, Dagana and Tsirang

2.2.2 Licences Issued

The Authority granted the following licences after thorough assessment of the applications against the requirements of the Act and the applicable licensing regulations.

a) Construction and Operation Licences

Sl. No.	Plant Name	Applicant	Licence Type	Issued Date
1	120 MWp Jamjee Solar Power Plant	Druk Green Power Corporation Limited	Construction, Generation, Operation and Maintenance Licence	6 October 2025
2	17.83 MWp Sephu Solar Power Plant	Department of Energy	Generation, Operation and Maintenance Licence	6 October 2025
3	1,125 MW Dorjilung Hydropower Plant	Dorjilung Hydropower Limited	Construction Licence	6 March 2026
4	1.8 MWp Dechencholing Solar Power Plant	Desuung Skilling Programme – Solar Initiative (DSP-SI)	Construction, Generation, Operation and Maintenance Licence	6 March 2026
5	25 MW Begana Integrated Multipurpose Small Hydropower Plant	Druk Hydro Energy Limited	Construction Licence	25 June 2026
6	1,020 MW Punatsangchhu-II Hydropower Plant	Punatsangchhu-II Hydroelectric Project Authority	Generation, Operation and Maintenance Licence (provisional to full licence)	25 June 2026
7	32 MW Yungichhu Hydropower Plant	Druk Green Power Corporation Limited	Generation, Operation and Maintenance Licence	25 June 2026
8	54 MW Burgangchhu Hydropower Plant	Druk Green Power Corporation Limited	Generation, Operation and Maintenance Licence	25 June 2026

b) Exemption Licences

Sl. No.	Plant Name	Licensee	Licence Type	Issued Date
1	200 kWp Tamzhing Solar Power Plant	Ecoluxe Private Limited	Construction, Generation, Operation and Maintenance Licence (conditional)	4 August 2025
2	1.5 MWp DGI Solar Power Plant	Desuung Skilling Programme – Solar Initiative (DSP-SI)	Construction, Generation, Operation and Maintenance Licence	8 September 2025

Sl. No.	Plant Name	Licensee	Licence Type	Issued Date
3	1.5 MWp Solar–BESS Hybrid Plant at Paro Airport	Desuung Skilling Programme – Solar Initiative (DSP-SI)	Construction, Generation, Operation and Maintenance Licence	6 March 2026
4	Regularisation of 200 kWp Tamzhing Solar Power Plant	Ecoluxe Private Limited	Construction, Generation, Operation and Maintenance Licence	9 April 2026

c) Extension of Licences

Sl. No.	Plant Name	Licensee	Licence Type	Extended On	Original Validity	Extended Validity
1	32 MW Yungichhu Hydropower Plant	Druk Hydro Energy Limited	Construction	6 March 2026	31 December 2025	30 April 2026
2	54 MW Burgangchhu Hydropower Plant	Druk Hydro Energy Limited	Construction	20 February 2025	31 December 2025	31 May 2026

d) Transfer of Licences

Sl. No.	Plant Name	Nature of Transfer	Transferor	Transferee	Issued Date
1	720 MW Mangdechhu Hydropower Plant	Generation, Operation and Maintenance Licence	Mangdechhu Hydroelectric Project Authority	Druk Green Power Corporation Limited	23 October 2025
2	22.83 MWp Sephu Solar Power Plant	Generation, Operation and Maintenance Licence	Department of Energy	Druk Green Power Corporation Limited	9 April 2026

2.3 TARIFF DETERMINATION AND APPROVALS

The Tariff Division in fiscal year 2025-2026 took a significant step towards the diversification of energy sources in the country with the determination of the first tariff for a utility-scale solar project as well as approval for a privately developed solar project in Bhutan.

2.3.1 Approval of Sephu Solar Project Tariff

The Tariff Division reviewed the domestic generation tariff proposal submitted by DGPC for the 22.38 MWp Sephu Solar Project for the tariff period 2025–2028. The review assessed the project's financial, technical, and regulatory parameters in accordance

with the National Energy Policy 2025, the Guideline for Determination of Domestic Electricity Tariff, and the Tariff Determination Regulation.

Following a detailed evaluation of the project's financing structure, cost assumptions, and levelized cost of energy, the 131st Commission Meeting approved a domestic generation tariff of Nu. 3.88 per unit. The approved tariff supports the financial sustainability of the project while promoting Bhutan's renewable energy development, diversification of the energy mix, and long-term energy security.

2.3.2 Approval of Bhutan Power System Operator (BPSO) Charges for 2025–2028

The Tariff Division reviewed and presented the BPSO System Operator Charges for the tariff period 2025–2028, following a comprehensive assessment of the proposed operational and capital expenditures, fund balance, and cost allocation methodology in accordance with the System Operator Charges Regulation 2022.

Based on the review, the Commission approved a total System Operator budget of Nu. 231.53 million for the three-year tariff period, after adjusting for unutilized funds and outstanding payables. The approved charges were allocated equally between generation companies and the transmission and distribution licensee to ensure the sustainable operation of the national power system.

The Commission also directed the Secretariat to obtain official documentation confirming BPSO's expenditure, as the organization has not undergone an external audit since its establishment in 2022. As per the Commission's directives, the Secretariat conducted a meeting with BPSO on 5th September 2025 and signed the Record of Discussion, where BPSO stated that the expenses incurred are as stated in their proposal. The Secretariat subsequently issued the System Operator Charges Order vide letter No. ERA/CEO/SO/2025-26/222 dated 11 September 2025.

2.3.3 Tariff Approval for 200 kW Solar Project at Tamzhing

Ecoluxe Private Limited submitted a tariff application on 7th December 2025 (letter no. KPL/BUM/TECH-04/2025/80). The Secretariat presented its review of the application at the 135th Commission Meeting for the 200-kW ground-mounted solar project at Tamzhing, Bumthang, conducted in accordance with TDR 2025.

After reviewing key parameters including capital cost, financing structure, O&M allowance, Capacity Utilization Factor (CUF), and Return on Equity, the Commission approved a tariff period of 25 years and a final tariff of Nu. 4.10 per unit, noting that project parameters were largely within regulatory limits and that this was the first privately developed solar project in the country.

2.3.4 Approval of DSP-SI Phase I, II and III Solar Project Tariff

DSP-SI proposed a tariff revision for the 0.765 MW Phase-I, 3.85 MW Phase-II, and 5 MW Phase-III DSP-SI projects to ERA on 12th January 2026, with a proposed weighted average Levelized Cost of Electricity of Nu. 4.44 per unit.

The review comprehensively assessed key tariff parameters, including the tariff period, gearing ratio, cost of debt, cost of equity, capital cost, operation and maintenance allowance, capacity utilization factor, working capital, regulatory fees, and applicable tax and inflation assumptions, in accordance with the Tariff Determination Regulation 2025 and the Guideline for Determination of Domestic Electricity Tariff.

During the 136th Commission Meeting, the Commission approved a weighted average domestic generation tariff of Nu. 4.07 per unit for the combined 9.62 MW DSP-SI solar projects for a period of 25 years, supporting the expansion of solar energy generation while ensuring a fair, sustainable, and cost-reflective tariff framework. The Secretariat issued the tariff approval order vide letter no. ERA/TD/SOLAR/2025-26/638 dated 11 February 2026.

2.4 REVISION OF TARIFF FOR THE PERIOD 2025-2028

Fiscal year 2025–2026 encompassed the determination of generation tariffs for the entire DGPC portfolio, and the transmission and distribution cost of supply for BPC.

2.4.1 DGPC Tariff Approval

ERA received DGPC's generation tariff revision proposal (letter no. 03/DGPC/ERA/FID-BD&IS/2025/8609 dated 19 December 2025) for the tariff period July 2025–June 2028. The weighted domestic generation tariff submitted by DGPC worked out to Nu. 2.48 per unit, inclusive of projects such as the Mangdechhu Hydro Project and the 18 MW Suchhu HP, and incorporating the 32 MW Yungichhu HP and 54 MW Burgangchhu HP, which were yet to be commissioned at the time of submission.

The review included stakeholder consultations and detailed evaluation of key tariff components such as the cost of debt, cost of equity, asset base, investments, operation and maintenance allowances, inventories, non-tariff revenue, energy generation, and other tariff parameters. The Commission approved a DGPC generation tariff of Nu. 2.05 per unit at the 137th Commission Meeting held on 24th February 2026. ERA issued the tariff order vide letter no. ERA/CEO/DGPC/2025-2026/676 on 2nd March 2026.



Public Consultation on Tariff Application

2.4.2 Tangsibji Hydro Energy (THyE) Tariff Approval

DGPC submitted the tariff revision proposal for the domestic generation tariff of THyE vide letter no. 03/DGPC/ERA/FID (BD&IS)/2026/8882 dated 13 January 2026, for the tariff period July 2025–June 2028. The Division conducted a comprehensive technical and financial assessment of the tariff application, incorporating stakeholder comments received during the public consultation process.

Key tariff parameters, including investment, operation and maintenance (O&M) allowance, inventories, annual energy, cost of debt, cost of equity, and non-tariff revenue, were thoroughly reviewed in accordance with the Tariff Determination Regulation (TDR) 2025 and the National Energy Policy (NEP) 2025.

The Secretariat presented tariff parameters based on submissions from ABI and DGPC concerning the THyE tariff determination, including a summary of key parameters followed by a detailed discussion of specific parameters with ABI's comments. Based on the parameters approved at the 136th Commission Meeting held on 23rd January 2026, the Commission approved a generation tariff for THyE of Nu. 3.75 per unit. ERA issued the tariff order vide letter no. ERA/CEO/DGPC/2025-2026/677 on 2nd March 2026.

2.4.3 Punatsangchhu Hydroelectric Project Authority-II (PHP-II) Tariff Approval

DGPC submitted the tariff proposal for the 1,020 MW PHP-II on 27th January 2026 (letter no. 03/DGPC/ERA/FID(BD&IS)/2026/9014), proposing a tariff of Nu. 4.28/kWh for the period July 2025 to June 2028.

The Division carried out a comprehensive evaluation of the proposed tariff in accordance with the Tariff Determination Regulation (TDR) 2025, assessing key tariff parameters including asset value, operation and maintenance allowance, inflation, efficiency gain, inventory, energy volume, cost of debt, cost of equity, and non-tariff revenue. Under Section 30 of TDR 2025, and as the maximum tariff recommended by the Secretariat exceeded DGPC's proposal, the Commission approved the PHP-II tariff of Nu. 4.28/kWh at the 137th Commission Meeting held on 24th February 2026, as proposed by DGPC. ERA issued the tariff order vide letter no. ERA/CEO/DGPC/2025-2026/678 on 2nd March 2026.

2.4.4 Bhutan Power Corporation (BPC) Tariff Approval

BPC submitted its tariff application for Transmission and Distribution on 5th December 2025 (letter no. 10/BPC/ERA/CEO/2025/8). In accordance with TDR 2025, the Secretariat completed a preliminary review of the application and presented it at the 135th Commission Meeting. The Secretariat proceeded with a detailed review based on comments received from the Commission and requested additional information from BPC to support the detailed tariff review.

Based on the Commission's approval during the 136th Commission Meeting held on 23rd January 2026, a total BPC investment of Nu. 25,891 million for the 2025–2028 period was considered for the BPC tariff determination.

The Secretariat presented a detailed review incorporating stakeholder comments received during the Consultation Meeting held on 17th February 2026. Based on the reviewed parameters, the Commission approved, at the 137th Commission Meeting on 24th February 2026, the BPC cost of supply as set out below. ERA issued the tariff order vide letter No. ERA/CEO/DGPC/2025-2026/675 on 2nd March 2026.

Consumer Category	Approved Cost of Supply
Low Voltage (LV) consumers	Nu. 5.63/kWh
Medium Voltage (MV) consumers	Nu. 4.78/kWh
Energy Intensive Consumers (EIC)	Nu. 2.88/kWh + Nu. 316/kVA/month demand charge
Wheeling	Nu. 0.22/kWh



Public consultation on generation, transmission and distribution tariff with relevant stakeholders

ERA received a letter from the Hon'ble Lyonpo, Ministry of Energy and Natural Resources (MoENR), on 10th March 2026, regarding overall tariff and subsidy components, directing the Authority to defer the implementation of the tariff. Till the new tariff is approved by the government, the existing tariff of Nu 2.66 per unit is being implemented.

SUMMARY OF APPROVED TARIFFS, FY 2025–2026

The table below consolidates the principal tariffs approved or confirmed by the Commission during the reporting period.

Project / Item	Tariff Approved
Sephu Solar Project (22.38 MWp)	Nu. 3.88/kWh
DSP-SI Phase I–III Solar (9.62 MW)	Nu. 4.07/kWh (25 years)
Ecoluxe Pvt. Ltd. at Tamzhing, Bumthang - 200 kW Solar	Nu. 4.10/unit (25 years)

2.5 MONITORING, COMPLIANCE AND ENFORCEMENT

The Monitoring Division carried out investigations, safety inspections and performance assessments across the generation, transmission and distribution segments during the fiscal year, supporting the Authority's enforcement mandate under the Act.

2.5.1 Investigation of Electrical Short Circuit Incident at Trashigang

ERA investigated the electrical short-circuit incident that occurred on 17th July 2024 in Mertsham–Thragom Chiwog, Kanglung Gewog, Trashigang. The incident reportedly affected around 25 households and caused damage to various electrical appliances and equipment. ERA performed technical assessments and analysis to identify the root cause of the incident.

The investigation revealed that the incident was caused by the failure of a 33 kV porcelain pin insulator, compounded by high earth resistivity at the double pole (97.43 Ω). It was further found that the upstream earth fault relay did not operate, not due to a malfunction, but because the fault current bypassed its monitored path. Although the insulator had not reached the end of its service life, the precise cause of its failure remains inconclusive. ERA also highlighted that the shared alignment of HV and LV lines on the same pole posed a design vulnerability, enabling fault propagation into the consumer network and leading to appliance damage.

ERA found that the earthing of the double pole was non-compliant with the Safety Code (Amendment) 2021 and accordingly, a penalty was imposed on BPC in accordance with the Penalty Rules and Regulations 2024.



Meeting with ESD Trashigang (left), damaged appliances (centre), broken pin insulator (right)

2.5.2 Investigation of Pamtsho Electrical Safety Incident

ERA received a complaint regarding an electric shock from a temporary power line at Pamtsho, Thimphu. Following the request for a safety assessment, an inspection was carried out, during which ERA found several violations, including the main service cable laid directly on the ground, unsafe makeshift wiring, absence of sub-distribution boards, no earthing, and sparks at the bus bar. It was also observed that the same connection was supplying power to labour camps of another contractor.

These practices were in breach of the Internal House Wiring Regulations 2016, Safety Code (Amendment) 2021, and Distribution Code (Amendment) 2022. Consequently, ERA directed BPC to disconnect the supply until safe underground cabling and proper wiring are ensured, to review all temporary connections for similar risks, and to enforce compliance with the prevailing regulations.




Inquiries with workers (left) and complainant's land adjacent to the construction site (right)

2.5.3 Tala Hydropower Plant Dam Overtopping Assessment

ERA visited the Tala Hydropower Plant (THP), Chhukha Hydropower Plant (CHP), and local tributaries from 23rd to 25th November 2025 for the investigation of the THP dam overtopping incident, which occurred on 5th October 2025. During this visit, the team inspected the physical condition of the facilities, observed site conditions, and engaged with dam officials to understand the sequence of events, operational decisions, and the immediate actions taken during and after the incident.

The findings demonstrated that the Right-of-Way (RoW) was not effectively maintained, leaving the 11 kV distribution line vulnerable to falling branches. Based on the findings, ERA made the following recommendations to DGPC:

1. Enhanced local tributary monitoring and early warning systems
2. Redundant and reliable power supply arrangements
3. Operational strengthening and institutional measures
4. Strengthened inter-agency communication and coordination
5. Risk mitigation and infrastructure improvements

On 17th April 2026, DGPC submitted the Action Taken Report (ATR) to ERA. The ATR indicated that DGPC had carefully reviewed all the recommendations and initiated the necessary actions across its operating hydropower plants to enhance monitoring systems, strengthen power supply reliability, improve operational preparedness, and reinforce coordination mechanisms.

As a way forward, DGPC stated that while immediate measures have been implemented, long-term initiatives such as establishing data and information collection centres to improve river inflow and weather forecasting are being actively pursued. DGPC also plans to comprehensively review and strengthen its emergency response plans, early warning systems, and Operation and Maintenance (O&M) manuals. In addition, common operational guidelines will be developed and implemented across all hydropower plants to ensure uniform safety and operational practices. DGPC further intends to strengthen its human resource capacity through enhanced skilling, upskilling, and reskilling programmes for O&M personnel, and is committed to providing ERA with bi-annual progress updates on the implementation of the recommendations until the critical measures are effectively implemented on the ground.





THP dam overtopping.Site visit to the 11 kV CHP switchyard





Site visit to THP dam 11 kV diesel generator (left) and local tributary (right)

2.5.4 Site Inspection of Right of Way (RoW) Case at Kabraytar, Phuentsholing

ERA reviewed a request from the BPC regarding the construction of a residential building within the right of way (RoW) of the 66 kV Phuentsholing to Chhukha transmission line.

An initial site inspection found that the proposed building design did not meet the minimum safety clearance requirements specified under the Safety Code (Amendment) 2021. The inadequate vertical clearance, combined with the ageing transmission infrastructure, presented significant electrical safety risks. At the same time, relocating the transmission line was not considered a practical option.

After the applicant revised the building design, ERA carried out a second site inspection. The revised proposal complied with the prescribed safety clearance requirements. Despite this compliance, ERA noted that the presence of permanent structures within an active transmission corridor continues to pose long-term safety and operational challenges, including restrictions on maintenance access, increased public exposure to electrical hazards, and the risk of future encroachment into the transmission corridor. As a result, ERA adopted a precautionary regulatory approach while exploring a more sustainable solution.

To address these concerns, ERA engaged the Phuentsholing Thromde to examine the feasibility of installing underground (UG) cables in the area. Following consultations, the Thromde, in coordination with BPC, conducted a detailed field survey and finalized the proposed underground cable route. This represents an important step toward improving public safety, protecting the integrity of the transmission network, and supporting planned urban development in the area.






Site inspection at Kabraytar, Phuentsholing

2.5.5 Inspection and Technical Review at the Exit Integrated Check Post (ICP), Gelephu

ERA conducted a technical assessment of the renovated electrical installation at the Exit Integrated Check Post (ICP) in response to a request from the Governor's Office, Gelephu Mindfulness City. The assessment was carried out on 26th June 2026 to evaluate the compliance of the electrical installation with applicable safety requirements and to verify the adequacy of associated electrical safety measures.

The assessment confirmed that the installed Miniature Circuit Breakers (MCBs) within the Sub Distribution Boards (SDBs) were appropriately selected and configured for the respective lighting and power circuits. The electrical load distribution across the three phases was found to be balanced within acceptable limits, and the measured internal earthing resistance values were consistent with recommended engineering practices.

The assessment also identified that the earth resistance value of the Lightning Arrester was above the acceptable limit, requiring corrective measures to ensure compliance with electrical safety standards and to enhance the reliability of the protection system.

Following the assessment, ERA submitted the technical assessment report to the Governor's Office and the Electricity Services Division (ESD), Gelephu, outlining the findings and recommending necessary corrective actions. The assessment reflects ERA's continued efforts in promoting electrical safety, ensuring compliance, and supporting the safe and reliable development of electrical infrastructure in Bhutan.



Earth resistance test of the lightning arrester





Inspection at the Exit Integrated Check Post, Gelephu

2.6 LICENSEES' PERFORMANCE ASSESSMENT

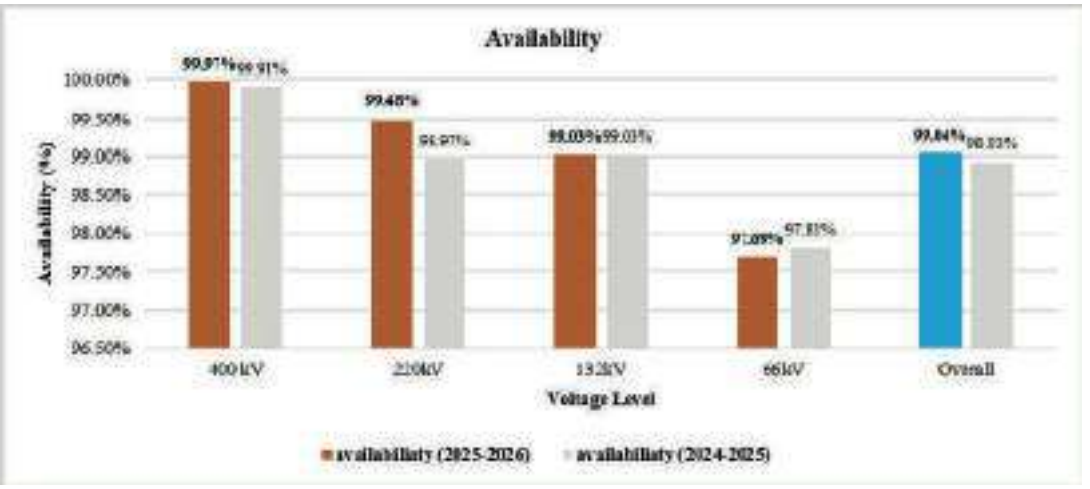
2.6.1 Transmission System Performance for FY 2025–2026

The Monitoring Division prepared the transmission system availability for the fiscal year 2025–2026 based on the data submitted by BPC. The availability percentage indicates how reliably the transmission network remained in service during the year; higher percentages mean fewer outages and better system reliability.

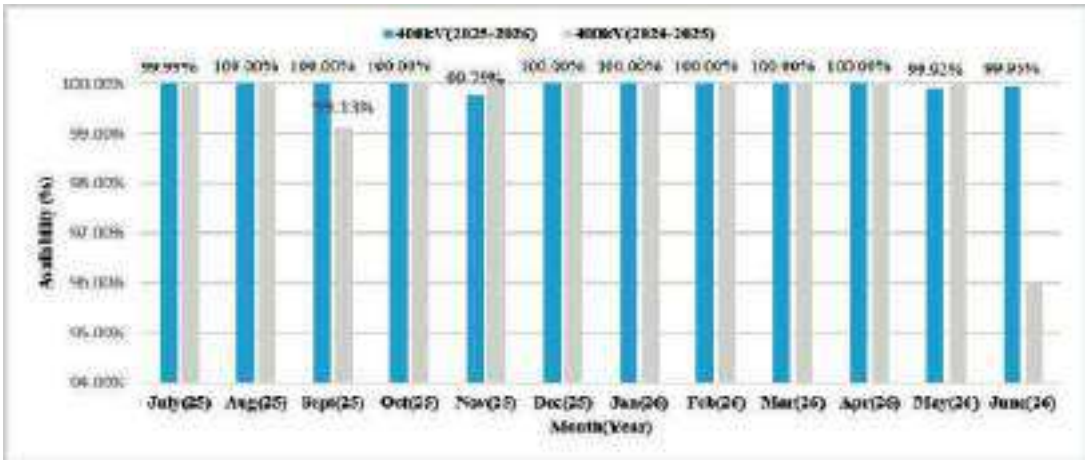
The 400 kV system achieved 99.97% availability over the year, indicating only negligible interruptions and demonstrating excellent reliability and operational performance. The 220 kV network also performed strongly with 99.47% availability, reflecting a highly reliable system with only minor downtime. In comparison, the 132 kV system recorded a lower availability of 99.03%. The 66 kV system showed the lowest availability at 97.69%, which is associated with higher fault rates, equipment failures, and increased maintenance requirements.

Overall, the transmission network maintained a high system-wide availability of 99.04%, confirming that despite localized interruptions, particularly at lower voltage levels, the grid operated reliably throughout the year. Against a target of 98.00% for the fiscal year, BPC exceeded the target by 1.04% and the performance target was therefore successfully achieved.

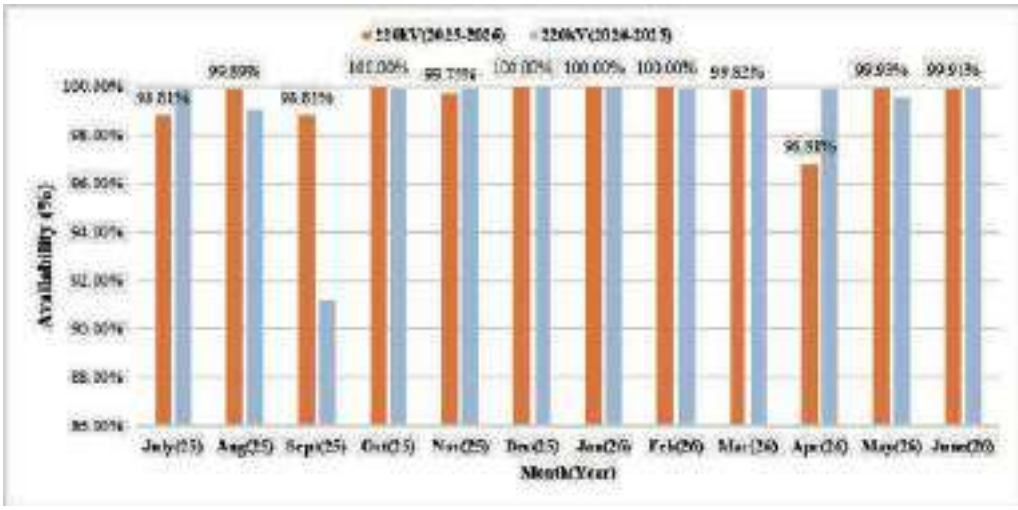
Voltage Level	Availability	Remarks
400 kV	99.97%	Negligible interruptions; excellent reliability
220 kV	99.47%	Highly reliable; only minor downtime
132 kV	99.03%	Lower relative availability
66 kV	97.69%	Higher fault rates and maintenance requirements
System-wide	99.04%	Target 98.00% — achieved (+1.04%)



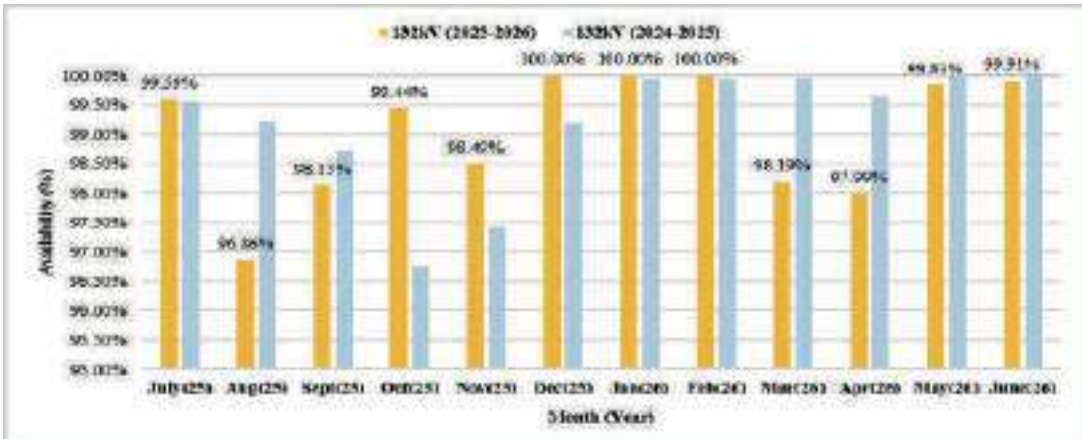
Transmission System Availability (July 2025 – June 2026)



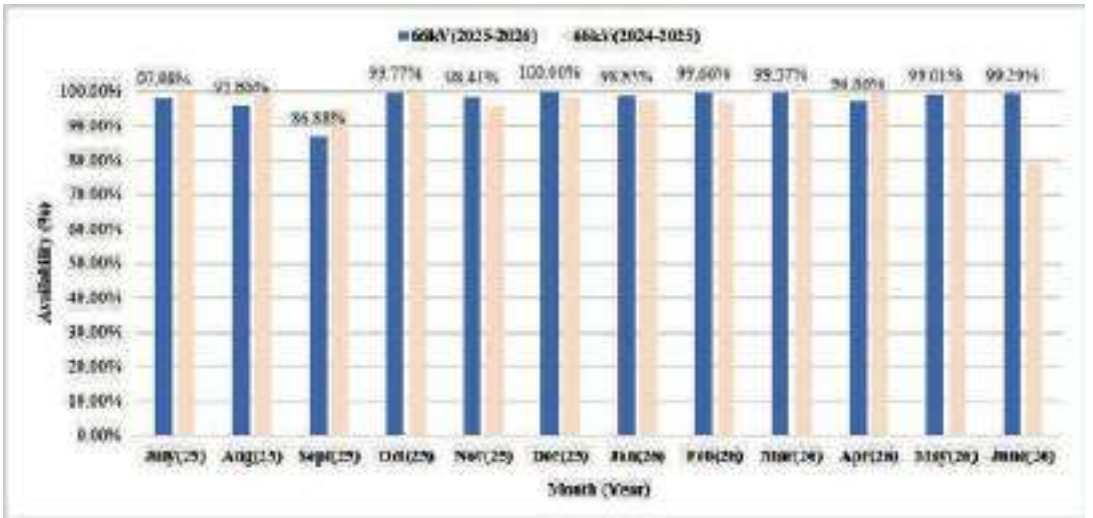
Monthly Transmission System Availability for 400kV (July 2025 – June 2026)



Monthly Transmission System Availability for 220kV (July 2025 – June 2026)



Monthly Transmission System Availability for 132kV (July 2025 – June 2026)



Monthly Transmission System Availability for 66kV (July 2025 – June 2026)

2.6.2 Assessment of Contact Centre Operation Service Standards

As per the Distribution Code Regulation (DCR) 2025, the BPC Contact Centre is required to answer 95% of telephone calls within 30 seconds, with a call abandonment rate not exceeding 10%. During FY 2025–2026, covering the period from July 2025 to June 2026, the Contact Centre responded to 97.45% of calls within 30 seconds, and the call abandonment rate was 1.5%. Based on the performance assessment, the Contact Centre successfully achieved the prescribed service standards for the fiscal year.

Requirement	Target	Actual Performance	Compliance
Calls answered within 30 seconds	More than 95.0%	97.45%	Target achieved
Call abandonment rate	Less than 10.0%	1.50%	Within limit

2.6.3 Distribution System Reliability Performance

ERA assessed the distribution system reliability performance of Bhutan Power Corporation Limited (BPC) for the period July 2025 to June 2026 against the annual reliability standards established by the Authority. The assessment was carried out based on key reliability indicators, namely the System Average Interruption Frequency Index (SAIFI) and the System Average Interruption Duration Index (SAIDI).

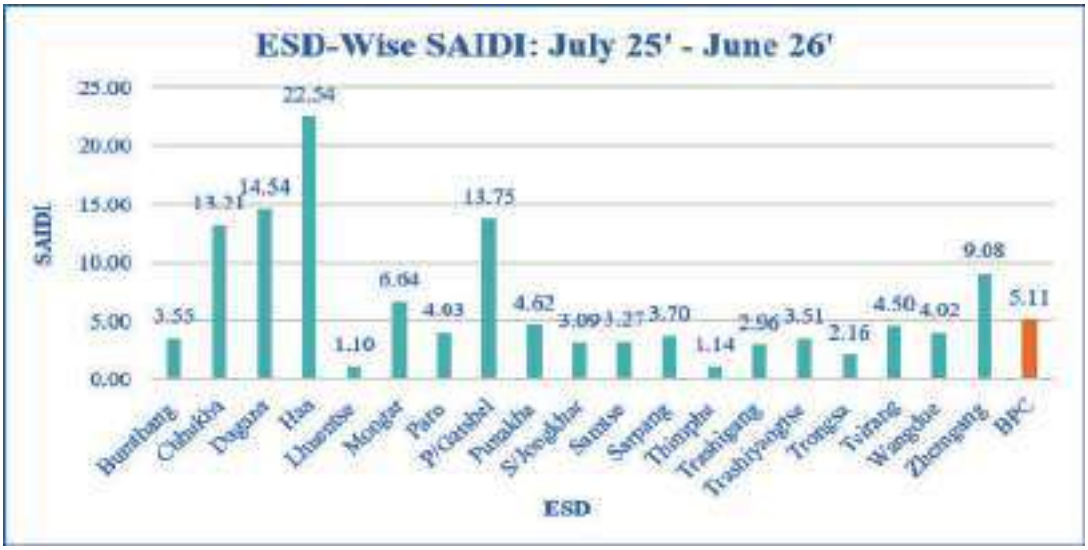
The assessment indicated that the distribution system achieved an overall SAIFI of 5.38 interruptions per customer per year and a SAIDI of 5.11 hours per customer per year during the assessment period. These results were significantly better than the approved reliability targets of 14.36 interruptions per customer per year for SAIFI and 13.79 hours per customer per year for SAIDI.

The performance achieved represents an improvement of 62.53% against the SAIFI target and 62.94% against the SAIDI target, reflecting a notable enhancement in the reliability and quality of electricity supply. The improved reliability performance demonstrates continued progress in strengthening distribution system operations and ensuring a more stable and dependable electricity service for consumers.

Reliability Index	Target FY 2025–26	Achieved	Improvement
SAIFI (interruptions/customer/year)	14.36	5.38	62.53%
SAIDI (hours/customer/year)	13.79	5.11	62.94%

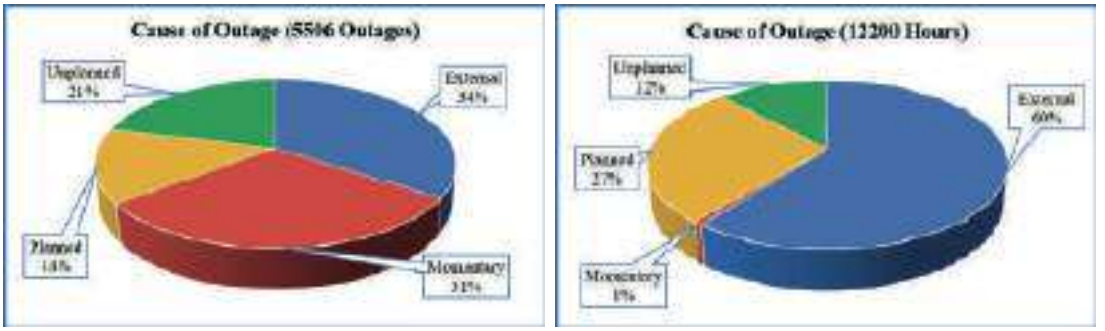


ESD-wise SAIFI (July 2025 – June 2026)



ESD-wise SAIDI (July 2025 – June 2026)

The analysis of the cause of outages show that external causes are the major contributor to outage duration, accounting for 34% of the 5,506 outages and 60% of the total 12,200 outage hours. In contrast, momentary outages account for 31% of all outage occurrences but only 1% of the total outage duration, suggesting that they are frequent but generally short in duration. Planned outages represent 14% of occurrences and contribute 27% of the total outage hours, while unplanned outages account for 21% of occurrences and 12% of the outage duration. Overall, the findings indicate that outage frequency is driven largely by momentary and external events, whereas total outage duration is predominantly influenced by external and planned outages.



Cause of Outage

The monthly reliability indices show considerable variation in both SAIFI and SAIDI throughout FY 2025–2026, with generally similar trends between the two indicators. SAIFI ranged from 0.27 to 0.66 interruptions/customer/month, reaching its highest level in March 2026 (0.66), while SAIDI ranged from 0.25 to 0.68 hours/customer/month, with the highest values recorded in June 2026 (0.68). Both indices remained relatively low during August 2025 and January 2026, indicating comparatively better reliability during these months.






Site visits to substations and Electricity Service Divisions

2.7 STUDIES AND SURVEYS

2.7.1 Study on Regulatory Preparedness for Wind and Battery Energy Storage Systems

In line with the 21st Century Economic Roadmap and the National Energy Policy 2025, which emphasize energy diversification and the development of renewable energy and energy storage, the Secretariat conducted a comprehensive study on Bhutan's regulatory preparedness for the integration and development of Wind Energy and Battery Energy Storage Systems (BESS).

The study assessed existing regulatory frameworks, institutional arrangements, international best practices, and emerging regulatory requirements necessary to facilitate the adoption of these technologies. It further identified regulatory gaps, opportunities, and challenges associated with the deployment of wind energy and energy storage solutions in Bhutan.

Based on the findings, a set of recommendations was developed to support the enhancement of the national regulatory framework and enable the effective integration of renewable energy and storage technologies. The study will serve as an important reference for future policy formulation, regulatory framework development, and investment planning in the energy sector.

2.7.2 Consumer Perception Survey on Power Reliability

ERA conducted a Consumer Perception Survey across 11 Dzongkhags: Dagana, Trongsa, Tsirang, Zhemgang, Sarpang, Punakha, Wangdue Phodrang, Pema Gatshel, Samdrup Jongkhar, Chhukha, and Samtse. The survey was designed to assess consumers' perceptions of power reliability, with a particular focus on areas experiencing frequent reliability issues.

Data were collected through a structured questionnaire and on-site visits, targeting electricity consumers in identified reliability-prone areas. The survey gathered feedback on consumers' experiences with the reliability of electricity supply, providing valuable insights into service performance and customer satisfaction.

The findings revealed that the overall consumer satisfaction level with power reliability was 62.63%, indicating that a majority of respondents were generally satisfied with the reliability of electricity services in the surveyed Dzongkhags.



Consumer perception survey fieldwork across 11 Dzongkhags

2.7.3 Power Outage Study at the Minister's Enclave

The Hon'ble Minister of the Ministry of Energy and Natural Resources (MoENR) directed ERA to study the recurring power outages in the Minister's Enclave, Motithang. Following this directive, ERA carried out a detailed study from 4th to 12th September 2025 to determine the underlying causes of the interruptions and propose corrective measures to improve service reliability.

The study reviewed the distribution network, measured the substation earth resistivity, examined feeder trip records from June to September 2025, analysed contact centre call records, and evaluated residential load patterns. The study found that forty-two percent (42%) of the outages were unplanned, caused by equipment failure or malfunction, and were rectified through related faults and events. Thirty-one percent (31%) of the outages were due to external factors such as weather and animal interference, while twenty-seven percent (27%) were momentary outages. The findings and recommendations of the study were communicated to BPC.



Analysis of outage causes at the Minister's Enclave

2.7.4 Monitoring and Validation of Power Quality and Medical Device Management Assessment

On 25 August 2025, the Department of Biomedical Engineering (DBME) requested technical support from ERA. With assistance from the WHO Country Office, DBME carried out an assessment of medical device management and power quality in government healthcare facilities from 27 August to 8 September 2025. To ensure the assessment was conducted in line with national electricity standards, DBME requested ERA to depute an official from the Monitoring Division. The ERA team subsequently conducted the assessment in Phuntsholing, Samtse, and Nganglam hospitals, and the findings were presented on 8 September 2025.

The assessment, conducted by external experts, identified critical system flaws and proposed corrective measures to improve reliability and reduce stress on sensitive equipment. The expert team evaluated the hospital electrical systems against international and national standards, finding them largely non-compliant, while actively engaging hospital staff and technicians in identifying deficiencies and implementing immediate rectifications. Data collection utilized a Power Quality Analyzer to monitor overall load and outgoing feeders, with methodological adjustments made to overcome equipment limitations.



Transformer inspection at Samtse Hospital (left) and distribution board inspection at Phuntsholing Hospital (right)



Inspection at the X-ray room, Phuntsholing Hospital

2.7.5 Reassessment of Power Quality at Lhamoizingkha Hospital

The Department of Biomedical Engineering of the National Health Service sought technical assistance from ERA to conduct a reassessment of the power quality at Lhamoizingkha Hospital. ERA deputed an official from the Monitoring Division to support the reassessment, and a joint power quality reassessment was carried out from 22 to 31 March 2026.

The reassessment confirmed that all recommendations and corrective actions identified during the previous assessment had been successfully implemented, and that the power quality parameters were within the prescribed standards and regulatory requirements.



Power quality reassessment at Lhamoizingkha Hospital

2.8 INSTITUTIONAL DEVELOPMENT

2.8.1 Organizational Development Exercise

The Organizational Development (OD) Exercise for ERA was conducted on 15 June 2026, engaging Omusings Consultancy and Advisory Services. The consultancy was tasked with conducting an independent and comprehensive assessment of ERA's organizational structure, governance arrangements, functional responsibilities, staffing requirements, business processes, and institutional capacity. The exercise was intended to provide evidence-based recommendations that reflect international best practices and support the Authority's long-term strategic direction.

The OD exercise was carried out through consultations with management and staff, review of organizational policies and documents, assessment of existing functions and workflows, benchmarking with comparable regulatory institutions, and analysis of future regulatory requirements. The findings and recommendations are expected to guide the development of an organizational structure that enhances efficiency, strengthens governance, improves service delivery, and positions ERA to effectively regulate Bhutan's evolving electricity sector.

2.8.2 Construction of the ERA Office Building

The design consultancy works for the construction of the new ERA office building were awarded to M/s United Consultancy, which completed the design works on 28 December 2025. The tender process was carried out in accordance with the provisions of the Procurement Rules and Regulations 2025, and the construction contract was awarded to M/s Druk Chapchab Construction Pvt. Ltd.

The construction works officially commenced on 24 April 2026 and are currently ongoing. The project is expected to continue over the coming years until its successful completion. The construction of a dedicated office facility represents a significant institutional development for ERA, aimed at providing an improved working environment, enhancing operational efficiency, and supporting the Authority in effectively fulfilling its regulatory responsibilities.

2.8.3 Business Requirements Development and Outsourcing of Digital System Development

The Policy, Research and Communication Division (PRCD) conducted the Business Requirements Development (BRD) for the Regulatory Information Management System (RIMS), the core system of the Electricity Regulatory Authority, together with the supporting Enterprise Resource Planning (ERP) system. The functional and non-functional requirements for the systems were developed with technical support from the Department of Digital Transformation (DDT), GovTech Agency.

The BRD was presented and approved at the 134th Commission Meeting held on 1 December 2025 and was subsequently signed off formally by the ERA Secretariat and GovTech. PRCD then prepared the Terms of Reference (ToR) and Request for Proposal (RFP) for the development of the RIMS and ERP systems, and a letter of invitation was published in Kuensel vide letter no. ERA/ADM/TENDER/2025-2026/527 dated 31 December 2025. The tendering process was completed with the assistance of DDT, GovTech, and a letter of intent was issued to the successful bidder vide letter no. ERA/ADM/TENDER/2025-26/617 dated 30 January 2026.




Business Requirements Development for the RIMS and ERP systems

2.8.4 Mid-Term Strategy Review Workshop

The ERA Secretariat successfully conducted a workshop on Mid-Term Progress Review and Strategic Activity Formulation from 9 to 10 June 2026. The workshop brought together senior officials from ERA to review the progress of the ERA Strategic Plan 2024–2029 and discuss the way forward in light of Bhutan's evolving policy landscape.

Since the ERA Strategic Plan had been formulated prior to the adoption of the National Energy Policy 2025 and the Bhutan 21st Century Economic Roadmap, the workshop focused on reviewing and updating the Authority's strategic priorities to ensure alignment with the Government's latest policy directions and long-term energy aspirations.

Over the two days, participants engaged in intensive brainstorming and strategic discussions focusing on energy security, energy resilience, energy quality and reliability, and tariff reforms. The workshop also facilitated the formulation of strategic activities and initiatives aimed at ensuring that ERA's regulatory functions remain responsive to the evolving needs of the energy sector and aligned with Bhutan's long-term economic and energy development goals. The outcomes are expected to contribute to the refinement of the ERA Strategic Plan and guide the implementation of activities for the next five-year period.





Mid-Term Progress Review and Strategic Activity Formulation Workshop, 9–10 June 2026

3

OPERATIONAL PLAN
Fiscal Year 2026–2027

The Operational Plan for fiscal year 2026–2027 sets out the key activities that the Divisions of the ERA Secretariat will deliver during the year. The activities are aligned with the National Energy Policy 2025, the outputs of the 13th Five-Year Plan and the ERA Strategic Plan 2024–2029, and are summarised below together with their expected impact.

3.1 Formulation of a Regulatory Impact Assessment (RIA) Framework

ERA regulates the electricity sector through subordinate legislation covering tariffs, licensing, technical standards, grid operations, renewable integration and consumer protection, and the National Energy Policy 2025, the proposed Energy Bill 2026 and the 21st Century Economic Roadmap will require new and updated instruments for a more diversified and competitive sector. At present, regulatory proposals are developed by individual technical divisions without a standardised methodology to identify problems, assess alternatives or evaluate impacts, resulting in uneven depth of analysis and consultation. In line with the Organizational Development Report and the Strategic Plans call for evidence-based policymaking and "Regulatory Framework Excellence", ERA will formulate an RIA Framework providing a structured methodology to assess the necessity, effectiveness and impact of proposed regulations before adoption, supported by capacity-building, practical guidance and standard templates.

The framework is expected to improve the quality of subordinate legislation by promoting evidence-based and proportionate regulatory proposals, while enhancing regulatory certainty, transparency and stakeholder confidence. Although it may initially demand more time and resources for analysis, consultation and documentation, this burden is expected to ease as officers gain experience and standard templates become established.

3.2 Investigation, Hearing and Witness Summoning Framework

The Dispute Resolution Procedure established in 2009 under Section 11.1(vii) of the Act was revised and adopted as the Dispute Settlement Rules and Regulations 2025 (DSRR), approved at the 128th Commission Meeting in April 2025. In approving the DSRR, the Commission directed the Secretariat to formulate Standard Operating Procedures (SOPs) covering investigations, witness summoning, witness testimony, evidence handling and related procedural matters, and to develop clear processes for conducting hearings that ensure transparency, fairness, consistency and due process. The Secretariat will formulate these SOPs during the fiscal year.

The SOPs are expected to enhance transparency, accountability and consistency in dispute resolution, build staff confidence and strengthen the legal defensibility of ERA's decisions, contributing to improved public trust and the 13th Five-Year Plan outcome of strengthened good governance. Any initial increase in processing time from added documentation is expected to ease as staff adapt, with efficiency maintained through clear timelines, standard templates and checklists, defined responsibilities and training.

3.3 Review and Revision of the Service Rules and Regulations

In line with the 13th Five-Year Plan's governance theme of transformed and trusted governance, ERA will undertake a comprehensive review of the Service Rules and Regulations (SRR) 2025, which functions as its internal rule of law governing recruitment, promotion, performance and discipline. The review will align the SRR with the recommendations of the Organizational Development (OD) Report 2026 and the approved organisational structure, incorporating the OD Report chapter of 13 clauses that bear directly on the SRR, while assessing the adequacy of existing provisions and updating areas where the current rules fall short.

The amended SRR will make human resource decisions more transparent, consistent and accountable, reducing the risk of arbitrary or inconsistent practice and building trust among staff. Competency-based recruitment, clearer career progression and stronger performance management are expected to produce a more motivated, agile and result-oriented workforce, positioning ERA as a well-governed and credible institution.

3.4 Stakeholder and Consumer Engagement Mechanisms

In support of the 13th Five-Year Plan output of an agile, high-performing and fit-for-purpose public service and ERA's strategic goal of Regulatory Framework Excellence, ERA will establish structured stakeholder and consumer engagement mechanisms. Regulatory sensitization sessions in three regions will reach consumers and communities at the grassroots level, covering safe house wiring practices, consumer rights and duties, and the compensation framework available in cases of service failure. Two regulatory forums will engage licensees and high voltage (HV) consumers on regulatory requirements, compliance expectations, technical standards, and emerging issues. Local Government representatives across all 20 Dzongkhags will be engaged as intermediaries to cascade awareness messages to rural and remote communities, complemented by broadcast media, social media and influencer engagement.

Together, these activities create an inclusive, layered engagement framework that reaches both ends of ERA's stakeholder spectrum. Ordinary consumers will gain practical knowledge of electrical safety, their rights and the remedies available to them, while licensees and HV consumers will gain clearer compliance and technical understanding, with their feedback informing more practical and responsive regulatory decisions, strengthening trust, compliance and responsiveness across the regulatory ecosystem.

3.5 Data-Driven Performance Assessment and Regulatory Compliance of Licensees

Under the Act, the Secretariat oversees and assesses the performance of licensees to ensure compliance with applicable laws, regulations, codes, standards, licensing conditions and directives. During the year, ERAS will undertake two complementary assessments. A performance and compliance review of Bhutan Power Corporation, as

distribution and transmission licensee, will cover system reliability (SAIDI, SAIFI, outage frequency and duration, and voltage quality), service delivery, Guaranteed Service Level performance and outage management, together with compliance with connection and interconnection requirements, safety, statutory reporting and technical standards. Compliance monitoring of Druk Green Power Corporation's hydropower plants will cover generation planning and operational performance, dispatch and system operation, grid support and power quality, reporting, data and metering, and safety and operational readiness, including follow-up on previously issued Action Taken Reports.

The assessments will identify instances of non-compliance, recommend regulatory interventions and remedial actions where required, and produce a compliance and performance assessment report. Strengthened, data-driven oversight is expected to enhance the reliability, safety and quality of electricity supply, generate credible evidence for proactive policy-making and planning, and improve licensees' awareness and implementation of the regulatory framework.

3.6 Service Standards for HV Consumers and Distribution Reliability Indices

While the Distribution Code Regulation 2025 establishes Guaranteed Service Level (GSL) requirements and reliability reporting obligations, HV consumers have expressed dissatisfaction with recurring voltage fluctuations and outages that cause production losses, and with compensation that does not reflect the magnitude of such impacts. ERAS will therefore undertake a comprehensive review of the GSL requirements applicable to HV consumers, assessing provisions on power quality, voltage variations, outage frequency and duration, restoration timelines and compensation, and benchmarking regional and international practice to develop a more robust, transparent and consumer-focused framework. ERAS will also review the distribution reliability indices: in view of BPC's significant outperformance of its targets in FY 2025–2026, the SAIFI and SAIDI targets will be revised as a percentage improvement over actual performance rather than as absolute values.

Well-defined service standards for HV consumers, together with revised reliability indices, will enhance the reliability, power quality and consumer-responsiveness of electricity supply while strengthening the compensation and accountability framework for service failures, supported by the systematic collection and analysis of outage, restoration and power quality data.

3.7 Operationalisation of the Regulatory Information Management System (RIMS)

As part of its digital transformation, ERAS will develop RIMS as a unified digital platform to streamline and automate its core regulatory services, replacing fragmented and manual processes. The system will comprise modules for licensing management (online application and tracking, automated processing workflows, digital licence issuance and a searchable licensee database), tariff management (a centralised repository of tariff data

and tools for solar tariff applications), monitoring and compliance (automated tracking of submissions, a configurable rules engine with alerts, and workflows for non-compliance and enforcement actions) and dispute and complaint management (online filing, case workflows, communication logs and reporting on dispute trends). RIMS will be integrated with the ERP system that supports ERA's administrative functions.

RIMS is expected to enhance regulatory efficiency and data accuracy, strengthen oversight through real-time compliance monitoring and early non-compliance alerts, modernise stakeholder interaction through digital channels and support informed decision-making through real-time reporting, while reducing paperwork, delays and processing time.

3.8 Regulatory Framework for Innovative Electricity Sector Products, Services and Business Models

With the Electricity Act 2001 under amendment and the National Energy Policy 2025, the 13th Five-Year Plan and the 10X National Economic Vision 2050 converging on a high-income GNH economy by 2034, advances in solar, wind, storage and smart grid technologies are outpacing conventional rule-based regulation. To manage this shift, ERA proposes a regulatory sandbox framework under which new technologies, business models and market arrangements, such as grid integration, storage, digital metering, tariffs, peer-to-peer trading and third-party grid access, can be piloted safely under controlled and safeguarded conditions before sector-wide rollout.

The framework is expected to accelerate solar and wind diversification, reduce winter import dependency and boost investor and donor confidence, while building ERA's technical capacity and credibility as a forward-looking regulator and generating practical lessons across tariff, technical and market areas to inform the amendment of the Electricity Act.

3.9 Promotion of Private Sector Participation through an Enabling Regulatory Ecosystem

In support of the 13th Five-Year Plan output "Business Ecosystem Improved" and ERA's strategic goal of embracing innovation, the Licensing and Technical Division will pursue two key results. First, as directed by the 136th and 139th Commission Meetings, the Guideline for Approval of Electrical Firms and Certified Electricians, developed under the Internal House Wiring Rules and Regulations 2025, will be piloted at the Ministry of Energy and Natural Resources building in Thimphu. The pilot will test routine inspection and testing by ERA-approved firms and certified electricians, determine fair and affordable service charges through an RFP-based process, and validate the approval, deployment, reporting, and record-keeping procedures before nationwide enforcement. Second, the Licensing Regulation for Solar Power Plants 2024 will be amended to address hybrid systems with battery storage and wind, the emerging roles of prosumers

and aggregators, metering arrangements including net, gross and smart metering, and ownership and nationality criteria for foreign-invested entities.

The pilot is expected to stimulate private participation in electrical services, create employment for certified electricians and, in the long run, reduce residential fire incidents caused by electrical short circuits, while the amended solar regulation will provide a more comprehensive, investor-friendly framework that unlocks new business models and supports the scale and pace of solar deployment.

3.10 Study on a Regulatory Framework for a Domestic Power Market

Consistent with the 13th Five-Year Plan output "Business Ecosystem Improved" and the National Energy Policy 2025, which aim to establish a competitive power market, the Tariff Division will undertake a comprehensive study on a power market framework as the first step in a multi-year process. The study will assess the technical, economic, legal, regulatory and institutional preconditions for a functional power market in Bhutan, examine international best practice, evaluate the current sector structure, identify gaps and reform pathways, consider regional integration opportunities and deliver a roadmap for market design and implementation.

The study will strengthen ERA's capacity to design, oversee, and eventually regulate a competitive market suited to a small, hydro-dominant and solar-based system, and identify pathways for fair electricity trading, private and renewable energy investment, regional power trade and carbon credit markets, elevating ERA's role from a tariff-setting body to a proactive enabler of market development and energy security.

3.11 Regulatory Framework for Wind Power Plants and Battery Energy Storage Systems

In line with the 13th Five-Year Plan output on diversified products and the National Energy Policy 2025's emphasis on wind energy, ERAS has initiated a Wind Power Plant Regulatory Framework under GoI-PTA funding, which will guide the drafting of regulations jointly by the Licensing and Technical Division and the Tariff Division. As the existing tariff and licensing regulations contain no provisions for wind power plants or battery energy storage systems (BESS), the new regulations will set out procedures for the issuance, renewal, modification, suspension and revocation of licences, eligibility and documentation requirements, and tariff regulation covering costs, operational standards, operation and maintenance, capacity utilisation factor and other parameters.

A clear licensing and tariff framework will provide certainty for developers and investors, support the development of Bhutan's estimated wind energy potential of approximately 800 MW, and enable the efficient integration of intermittent renewable energy through BESS, enhancing grid flexibility and stability, reducing curtailment and diversifying the energy mix while balancing investor returns with consumer protection.

4

FINANCIAL STATEMENT
Fiscal Year 2025–2026

4.1 REVENUE AND EXPENDITURE

ERA funds its daily operations through license application fees, annual license fees, and tariff application fees as per the Act. For the fiscal year 2025–2026, the Honorable Minister, MoENR, approved an Annual Budget of Nu. 134.593 million, based on the Authority's recommendations. The following is a summary of the revenues generated and the corresponding expenditures incurred during the fiscal year.

During the fiscal year, a total revenue of Nu. 219.201 million was collected. The primary source of revenue was annual license fees, contributing Nu. 68.711 million, followed by license application fees, which amounted to Nu. 0.68 million and tariff application fees amounting to Nu. 149.81 million.

4.1.1 Revenue (in Million Nu.)

Particulars	Amount (Nu. Million)
Annual License Fee	68.711
Tariff Application Fee	149.81
License Application Fee	0.680
Total	**219.201**

4.1.2 Annual Expenditure

Particulars	Total Expenditure (Nu. Million)
1.01 Pay and Allowance	29.117
11.01 Travel – In-country	1.926
11.02 Travel – Out-country	3.809
12.01 Utilities – Telephone, Fax, Internet, Telex	0.595
12.02 Utilities – Wireless, Transmission & Postage	0.004
12.03 Utilities – Electricity, Water & Sewerage	0.065
13.01 Rental – Building	1.426
14.01 S&M – Office Supplies, Printing & Publication	0.329
14.06 S&M – Uniforms, Extension Kits	0.036
14.08 S&M – Others (Newspapers & Magazines)	0.038
15.01 Maintenance of Properties – Building	0.013
15.02 Maintenance of Properties – Vehicle	0.554
15.05 Maintenance of Properties – Equipment	–
15.07 Maintenance of Properties – Computer	–
17.01 Operating Expenses – Advertising	0.304
17.02 Operating Expenses – Taxes, Bank Charges etc.	0.015

Particulars	Total Expenditure (Nu. Million)
17.08 Operating Expenses – In-country Meetings	3.221
18.01 Hospitality & Entertainment	0.048
21.01 Current Grant – Individual / Non-Profit Org.	1.000
24.01 Subscription to International Organisations	0.415
24.03 Contribution: Provident Fund	1.913
25.01 Retirement Benefits	0.641
Current Expenditure	**45.469**
45.01 Training – HRD	10.000
51.01 Expenditure on Structure – Buildings	12.083
53.01 Purchase of Vehicle	7.196
54.01 Furniture	0.148
54.02 Office Equipment	2.112
54.03 Computers & Peripherals	1.636
55.01 Professional Services	4.126
Capital Expenditure	**37.301**
TOTAL (Current + Capital)	**82.770**

5

CAPACITY BUILDING
Training · Workshops · Knowledge Exchange

5.1 WORKSHOPS AND TRAINING PROGRAMMES

Building institutional and technical capacity remained a priority during FY 2025–2026. Officials of the Secretariat participated in national and international training programmes covering renewable energy technologies, tariff design, licensing practice and system safety, while ERA itself delivered regulatory sensitization programmes to stakeholders across the sector.

5.1.1 Workshop on Licensing of Renewable Energy Projects, Norway

Two representatives from the ERA Secretariat attended a workshop on "Towards Net-Zero: Licensing of Renewable Energy Projects" organized by the Norwegian Water Resources and Energy Directorate (NVE) in Norway from 15 to 19 September 2025. The workshop provided insights into renewable energy project development and licensing practices, particularly in relation to hydropower. The programme included an overview of Norwegian legislation and regulations on project licensing, participants' presentations on national energy mixes and licensing systems, as well as field visits and case studies highlighting practical challenges in renewable energy project management.



Workshop on "Towards Net-Zero: Licensing of Renewable Energy Projects", Norway

5.1.2 Capacity Building for Regulations and Guidelines for Renewable Energy Technology, India

ERA officials visited Pune and Mumbai from 8 to 13 March 2026 for on-field exposure and practical insights into India's operational frameworks for wind energy, covering Grid Code, installation standards, operational and safety guidelines, and tariff-setting principles. Key learnings from the visit include:

- Regulatory frameworks: a comprehensive understanding of the regulatory structures administered by the Ministry of Power (MoP) and the Ministry of New and Renewable Energy (MNRE), including their respective roles in governing the renewable energy sector.
- Technical and operational standards: insights into India's Grid Code, wind installation standards, and operational and safety guidelines, offering practical benchmarks for Bhutan's own regulatory development.
- Tariff-setting principles: exposure to the methodologies and principles underpinning renewable energy tariff mechanisms, relevant to designing appropriate tariff structures for Bhutan.
- Grid integration and energy storage: best practices in integrating renewable energy into the grid, along with approaches to energy storage systems that could inform Bhutan's grid modernization efforts.
- Stakeholder engagement: the opportunity to exchange knowledge directly with key Indian stakeholders, strengthening ERA's understanding of practical implementation challenges and solutions.

Overall, the visit equipped ERA with actionable insights to support Bhutan's electricity sector reforms and to enhance the country's renewable energy policies and regulations.



Photo session with officials during the study visit to India

5.1.3 Training on Renewable Energy Systems, Electricity Tariff Design and Integrated Power Systems, Bangkok

ERA attended a training programme on Renewable Energy Systems, Electricity Tariff Design, and Integrated Power Systems at EIU, Bangkok, from 9 to 14 June 2026. The training strengthened participants' knowledge and skills in renewable energy technologies, electricity tariff design, integrated power system planning and operation, dam safety, Geographic Information Systems (GIS), risk assessment, and emergency preparedness and response systems. These areas are directly relevant to the Authority's regulatory functions and will contribute to enhancing technical capacity for electricity regulation, tariff development, infrastructure safety oversight, and informed decision-making in the power sector.



Training on Renewable Energy Systems, Electricity Tariff Design and Integrated Power Systems

5.1.4 Distributed Solar Generation and Utility-Scale Solar Training, CST Phuentsholing

ERA officials participated in training on distributed solar generation and utility-scale solar systems, specifically Solar Rooftop Systems, conducted at the College of Science and Technology (CST), Phuentsholing, on two separate occasions.

The training covered key technical aspects including solar fundamentals, photovoltaic (PV) system components, solar radiation assessment, site assessment, system design and sizing, on-grid and off-grid configurations, inverter and cable selection, installation practices, and grid integration mechanisms such as net metering, gross metering, and net billing. The programme comprised both theoretical sessions and practical exercises, including system configuration, module connections, installation practices, troubleshooting, system monitoring and maintenance, performance evaluation, basics of PVsyst software, and electrical safety practices.

These areas are directly relevant to the Authority's regulatory functions and will contribute to strengthening technical capacity for evaluating distributed solar systems, reviewing grid-integration and metering arrangements, monitoring compliance with applicable regulations and standards, and supporting informed regulatory decision-making in the renewable energy sector.





Distributed solar generation and utility-scale solar training at CST, Phuentsholing

5.2 REGULATORY SENSITIZATION AND OUTREACH

5.2.1 Training for Technicians of the Ministry of Health

ERA, upon request from the Department of Biomedical Engineering (DBME), Ministry of Health, conducted a regulatory sensitization and training programme for hospital electricians from 1 to 2 December 2025. The programme covered the Act and ERA's regulations and codes applicable to healthcare facilities. A total of 32 electricians from hospitals and health facilities nationwide participated, along with the Director and Engineer from DBME.




Regulatory sensitization and training programme for hospital electricians

5.2.2 Sensitization Workshop for PHPA-II

ERA received a request from Punatsangchhu-II to conduct a sensitization programme on electrical safety for employees directly engaged in day-to-day electrical work. In response, ERA conducted a one-day sensitization programme on electrical safety and relevant regulations for the generating facilities on 31 March 2026.

The programme was attended by around 100 PHPA-II employees, including electrical engineers, safety personnel, and technicians. It covered the importance of electrical safety through global safety statistics, fatality data, and practical case studies, followed by presentations on the Safety Regulation, Safety Code, operational and emergency preparedness, and other relevant ERA legislation. The programme concluded with a 20-question quiz to assess participants' knowledge of safety.





Electrical safety sensitization programme for PHPA-II employees

6

EVENT GALLERY
Moments from the Year

6.1 EVENT GALLERY

Photographs of events, consultations, inspections and training programmes held during fiscal year 2025–2026.



Figure 1: Celebration of the Birth Anniversary of His Majesty The King



Figure 2: Annual Rimdro at the ERA office



Figure 3: International Volunteer Day – cleaning campaign



Figure 4: Health check-up for ERA staff



Figure 5: Celebration of the International Day of the Returning Mother, September 2025



Figure 6: ERA team at the Monsoon Knockout Football Tournament, Chhukha, September 2025

7

GLOSSARY
Abbreviations and Acronyms

7.1 GLOSSARY

Abbreviation	Full Form
ABI	Association of Bhutanese Industries
ACT	Electricity Act of Bhutan 2001
ATR	Action Taken Report
BESS	Battery Energy Storage System
BPC	Bhutan Power Corporation Limited
BPSO	Bhutan Power System Operator
CHP	Chhukha Hydropower Plant
CST	College of Science and Technology
CUF	Capacity Utilization Factor
DBME	Department of Biomedical Engineering
DCR	Distribution Code Regulation
DGPC	Druk Green Power Corporation Limited
DoE	Department of Energy
DSP-SI	De-suung Skilling Programme Solar Initiative
EIC	Energy Intensive Consumer
ERA	Electricity Regulatory Authority
ESD	Electricity Services Division
GIS	Gas Insulated Substation / Geographic Information System
HRD	Human Resource Development
HV / MV / LV	High Voltage / Medium Voltage / Low Voltage
ICP	Integrated Check Post
MHP	Mangdechhu Hydropower Plant
MNRE	Ministry of New and Renewable Energy (India)
MoENR	Ministry of Energy and Natural Resources
MoP	Ministry of Power (India)
MW / MWp / kWp	Megawatt / Megawatt peak / Kilowatt peak
NEP	National Energy Policy 2025
NHP	Nikachhu Hydropower Project
NVE	Norwegian Water Resources and Energy Directorate
O&M	Operation and Maintenance
OD	Organizational Development
PF	Power Factor / Provident Fund

Abbreviation	Full Form
PHPA-I / PHPA-II	Punatsangchhu Hydropower Project Authority I / II
PPA	Power Purchase Agreement
PQ	Power Quality
PV	Photovoltaic
RGoB	Royal Government of Bhutan
RoE	Return on Equity
RoW	Right of Way
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SDB	Sub Distribution Board
TDR	Tariff Determination Regulation
THP	Tala Hydropower Plant
THyE	Tangsibji Hydro Energy Limited
WHO	World Health Organization

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